

Lt. Governor John Garamendi Draws the Line on Student Fee Increases

Joined by Students and Faculty, Garamendi Calls for Halt to Fee Increases, Says State Can't Ignore Public Benefits of Higher Ed

LOS ANGELES – Lt. Governor John Garamendi today proposed a halt to sharp fee increases for California State University (CSU) students, noting fees have already risen up to 94% over the past 5 years and further increases threaten to shut the doors of higher education on California students. Garamendi said he will introduce a similar proposal to curb student fee hikes for University of California (UC) students, whose fees have risen up to 84% since 2002, at tomorrow's UC Board of Regents meeting.

In the proposal put before the CSU Board of Trustees, and a similar proposal to be introduced for UC tomorrow, Garamendi called for capping student fees at 2007-08 levels, and proposed limiting future fee increases to the rate of inflation. Garamendi, in his role as Lt. Governor, serves as a governing member of both boards.

"We have seen a dramatic shift in our state's priorities over the past decade, reducing state funding for higher education and balancing the state's budget on the backs of our students," said Garamendi. "Sadly, this path takes our state in the wrong direction – creeping down the road to privatization by shifting the cost of higher education from the public at large to students and their families. It's time to say enough is enough."

Fees for CSU students have skyrocketed in the past five years, up 94% for undergraduate students –from \$1,428 to \$2,772 since 2002, and more than doubling for graduate students. The cost of UC fees have also climbed sharply, rising 93% for undergraduates and 84% for graduate students. In 2001, UC undergraduates paid mandatory fees of \$3,429, this year they will pay \$6,636. The total costs for room, board, and books, tuition and fees now average \$23,000 per year for students attending UC.

Students are struggling to complete their education while having to make a choice between working more hours, going deeper into debt to finance their degree, or in some cases both.

A 2007 report by the Advisory Committee on Student Financial Assistance found that higher tuition rates have the potential to close the door of opportunity, especially for low-income and underrepresented students. Financial barriers deterred as many as 1.6 million U.S. students from attending a four-year university during the 1990s, and will likely prevent another 2.4 million

students from earning their bachelor's degree this decade.

And, according to a report by California Post Secondary Education Commission, the level of student debt carried by California students has increased by 60% over the last decade.

The sharp fee increases over the past several years come at a time when California should be doing more to increase its output of college graduates to meet the state's future needs for skilled workers. A Public Policy Institute of California report released in 2006 found that of the 4.5 million jobs that will be available by 2025 in California, 3.5 million will require a bachelor's degree. Given the current capacity of our higher education institutions, the state will fall short of this need by more than 3 million college graduates.

Dina Cervantes, Chair of the Board of Directors for the California State Student Association stated, "CSU students are hurting as a result of higher tuition, overpriced books, gas, and housing. Many students are working multiple jobs, and not all students who need financial aid qualify for subsidies. We must take this message to the Governor and the Legislature: our public university systems cannot take any more cuts, and students need to stop being taxed!" CSSA has historically opposed any increase in student fees; its board will consider formal endorsement of Garamendi's resolution at its next meeting.

"Every year, UC Regents almost unanimously increase fees under the assumption that it is increasing the quality of the university. In reality, they are just making the UC more unaffordable and quality is not increasing. Fees are currently rising faster than people's income, pricing everyday Californians out of higher education. During the reign of fee hikes, we have seen student services deteriorate, diversity decrease, and our public image worsen. Regents have to halt fee hikes - the affordability and reputation of our system is at stake," said Gregory Cendana, UCLA undergraduate and UC Student Association member.

"Students are paying 94% more now than 5 years ago and are receiving less for their money," said Lillian Taiz, president of the California Faculty Association. "Student fees are out of control. Students can't get the classes they need to graduate because of course cuts while their fees rise at astronomical rates. Public higher education funding in California is at crisis levels. CFA shares the Lieutenant Governor's commitment to the families and students of the CSU. We appreciate his bold leadership and look forward to working with him to increase CSU funding without further financial burden to our students."

The 2008-09 operating budget proposed by CSU staff requests additional state funding of \$73.2 million. The UC budget proposal requests \$70.5 million in additional state funding, or a commensurate increase in student fees. Garamendi's action today and planned action at UC tomorrow would offset potential fee increases in this budget year with either additional state funding or administrative savings from within the CSU and UC systems. Garamendi asked both boards to schedule his proposal for decision in January 2008.

As a UC Regent and CSU Trustee, Lt. Governor Garamendi has been a leading voice in demanding transparency in executive compensation, opposing the ongoing tuition increases for students and an advocate for faculty and service staff pay equity.

ITEM FOR ACTION

RESOLUTION STABILIZING STUDENT FEES

WHEREAS, Our public education system is a vital part of our collective future;

WHEREAS, Since 2002, undergraduate fees at our CSU campuses have increased 94% and graduate student fees have more than doubled. Students are struggling to continue their education, forced to work more, or go deeper into debt to finance their degree;

WHEREAS, The level of student debt carried by California students has increased by 60% over

the last decade (EdFund, Trends in Student Aid, 2006);

WHEREAS, Low-income and underrepresented students often carry the heaviest debt burdens (California Postsecondary Education Commission, Keeping College Affordable in California, 2006);

WHEREAS, Higher tuition rates have the potential to close the door of opportunity, especially for low-income and underrepresented students. Financial barriers deterred as many as 1.6 million U.S. students from attending a four-year university during the 1990s, and will likely prevent another 2.4 million students from earning their bachelor's degree this decade. (Advisory Committee on Student Financial Assistance draft report, Mortgaging Our Future: How Financial Barriers to College Undercut America's Global Competitiveness, 2006);

WHEREAS, CSU is a major driver of the California's economy with a total economic impact of \$13.6 billion. The CSU's economic power sustains 207,000 jobs in California and generates more than \$760 million a year in state and local annual taxes (CSU);

WHEREAS, California's need for educated workers will only become more acute in the coming years, as health, technology, and professional services become an increasing share of the state's new jobs;

WHEREAS, California's students should not bear the financial burden of the state's past under-investment in higher education; and

NOW, THEREFORE, BE IT RESOLVED THAT:

The California State University will stabilize student fees by capping fees at 2007-08 levels, and limiting future student fee increases to the rate of inflation.

The Trustees and University representatives will keep the Legislature and the Governor

apprised of the necessary state budget resources required to adequately fund the University.

Where appropriate, the University will seek savings from administrative efficiencies to help the University meet its mission.